

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
SECURITIES DIVISION**

IN THE MATTER OF

**MARK MORROW
(AKA MARK BAXTER)**

**Administrative Order
Number LS-20-4012-A**

Respondent

ORDER TO CEASE AND DESIST AND TO PAY RESTITUTION

WHEREAS, the Secretary of State of the State of Mississippi (“Administrator”) has the authority to administer and provide for the enforcement of all provisions of the Mississippi Securities Act (“Act”), codified at Mississippi Code Annotated Sections 75-71-101 to -701 (2016 & Supp. 2018); and

WHEREAS, Mark Morrow (“Morrow” or “Respondent”) has violated provisions of the Act; and

WHEREAS, the Securities Division of the Mississippi Secretary of State’s Office (“Division”) is authorized to issue an order to direct any person to cease and desist from engaging in the act, practice, or course of business when the Administrator determines a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act or a rule adopted or order issued under the Act; and

WHEREAS, the Division is authorized to issue an order requiring a person to pay restitution for any loss or disgorge any profits arising from violations of the Act or a rule adopted or order issued under the Act; and

WHEREAS, action by the Division in this instance is necessary and appropriate in the public interest and for the protection of investors and is consistent with the purposes fairly intended by the policy and provisions of the Act;

NOW, THEREFORE, the Division hereby enters its Order to Cease and Desist and to Pay Restitution:

I. FINDINGS OF FACT

Parties

1. The Secretary of State has the authority, pursuant to the Act, to administer and enforce the Act and to regulate the offer and sale of securities in Mississippi as well as the firms and persons who offer or sell securities or who provide investment advice regarding securities.

2. Mark Morrow is an individual with an email address of MARKBAXTER46@GMAIL.COM and a last known address of 790 Haunted Lane, Bensalem, PA 19020. Morrow is not and has not at any time been registered with the Division in any capacity.

Events

3. The Division discovered an advertisement Morrow placed, using the alias "Mark Baxter," on Craigslist, an online classified advertisements website. The advertisement title is "P E N N Y STOCKS MAKE 6000\$ A WEEK CORONA VIRUS STOCKS UP 800% PANIC." Penny stocks are stocks that trade below five dollars (\$5.00) a share.

4. In the advertisement, Morrow states he is "READY TO BRING SOME GOOD PEOPLE ON BAORD TO MAKE SOME BIG \$\$\$ IN 2020..... I LL TRADE YOUR ACCOUNT FOR YOU AND WE SPLIT THE PROFITS, OR I LL TEACH YOU WHAT I KNOW THRU MY TRAINING FOR 200\$ OR BOTH."

5. After investigating, the Division discovered that Morrow placed three advertisements based on the COVID-19 panic under the name Mark Baxter. He placed one on March 10, 2020, and one on March 29, 2020, directed to persons in and around Jackson, Mississippi, and one on April 22, 2020, directed to persons in and around Gulfport and Biloxi, Mississippi.
6. Further, Morrow has placed an additional seven advertisements directed to persons in and around Jackson, Mississippi, between December 2019 and March 2020 making similar claims of locating “dirt cheap” penny stocks and being ready to bring in good people to “MAKE BIG \$\$\$” by trading in the potential client’s account and splitting profits or “training” the clients for two hundred dollars (\$200.00).
7. At no point in any of the advertisements did Morrow disclose contextual market information, support material, or other documentation, including historical recommendations and investment performance.
8. At all times relevant to this action, Morrow was not registered with the Division.

II. APPLICABLE LAW

9. Miss. Code Ann. Section 75-71-102 sets forth:

Definitions.

- (1) “Administrator” means the Secretary of State.
- ...
- (4) "Broker-dealer" means a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account...
- ...
- (15) "Investment adviser" means a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides

investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation. ...

...

- (28) "Security" means a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. The term includes both a certificated and an uncertificated security. The term does not include an insurance or endowment policy or annuity contract under which an insurance company promises to pay a sum of money either in a lump sum or periodically for life or other specified period; or an interest in a contributory or noncontributory pension or welfare plan subject to the Employee Retirement Income Security Act of 1974. An "investment contract" includes, among other contracts, an investment in a limited partnership, an interest in a limited liability company, an investment in a viatical settlement or similar agreement, and an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor and a "common enterprise" means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors.

10. Under Miss. Code Ann. Section 75-71-401(a), "It is unlawful for a person to transact business in this state as a broker-dealer unless the person is registered under this chapter as a broker-dealer or is exempt from registration as a broker-dealer under subsection (b) or (d)."

11. Under Miss. Code Ann. Section 75-71-403(a), "It is unlawful for an individual to transact business in this state as an investment adviser unless the person is registered under

this chapter as an investment adviser or is exempt from registration as an agent under subsection (b).”

12. Miss. Code Ann. Section 75-71-501 sets forth:

General fraud. It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:

- (1) To employ a device, scheme, or artifice to defraud;
- (2) To make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (3) To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

13. The Division may employ remedies set out in Miss. Code Ann. Section 75-71-604 of the Act:

Administrative enforcement.

- (a) Issuance of an order or notice. If the Administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter or that a person has materially aided, or is about to materially aid an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter, the Administrator may:

- (1) Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this chapter; Issue an order directing the person to cease and desist from engaging in the act practice or course of business or to take other action necessary or appropriate to comply with this chapter;

- (3) Issue an order:

- (D) Barring or suspending the person from association with a broker-dealer or investment advisor registered in this state; or requiring the person to pay restitution for any loss or

disgorge any profits arising from the violation, including interest.

14. Miss. Code Ann. Section 75-71-611(b) sets forth:

(b) **Conduct constituting appointment of agent for service.** If a person, including a nonresident of this state, engages in an act, practice, or course of business prohibited or made actionable by this chapter or a rule adopted or order issued under this chapter and the person has not filed a consent to service of process under subsection (a), the act, practice, or course of business constitutes the appointment of the administrator as the person's agent for service of process in a noncriminal action or proceeding against the person or the person's successor or personal representative.

15. Based upon the foregoing Findings of Fact, the Division makes the following:

III. CONCLUSIONS OF LAW

16. The Administrator, after consideration of the facts set forth above, finds and concludes that the Secretary has jurisdiction over the Respondent and this matter and that the following is in the public interest, necessary for the protection of public investors, and consistent with the purposes intended by the Act.

17. The penny stocks Morrow promotes trading in are securities as defined in Miss. Code Ann. Section 75-71-102(28).

18. When Morrow offered to trade prospective clients' accounts for them, he engaged in the business of effecting transactions in securities for the account of others. By doing so, he acted as a broker-dealer within the meaning of Miss. Code Ann. Section 75-71-102(4). Morrow was not registered as a broker-dealer in violation of Miss. Code Ann. Section 75-71-401.

19. When Morrow offered, for compensation, his services to advise clients on how to make money trading in securities, specifically penny stocks, he acted as an investment adviser as defined in Miss. Code Ann. Section 75-71-102(15).

20. Morrow violated Miss. Code Ann. Section 75-71-501 when he made representations that clients would “MAKE 6000K A WEEK” while omitting to state any disclosures required to make that representation not misleading.

IV. ORDER

IT IS HEREBY ORDERED:

1. That Respondent immediately CEASE AND DESIST from offering investment advice in Mississippi or to residents of Mississippi;
2. That Respondent immediately CEASE AND DESIST from making fraudulent statements and other misrepresentations that operate or would operate as a fraud upon investors;
21. That Respondent PAY RESTITUTION to any Mississippi client (investor) in an amount not less than the client’s total investment, with individual restitution amounts owed to be determined in a subsequent order by the Administrator.

V. RIGHT TO AN ADMINISTRATIVE HEARING

If the Respondent wish to contest the allegations set forth above or offer evidence and arguments to mitigate the allegations, then the Respondent must file a request for hearing. Such request shall be made in writing to Jessica Leigh Long, Assistant Secretary of State, Securities Division, Mississippi Secretary of State’s Office, Post Office Box 136, Jackson, MS 39205, within thirty (30) days from the date of receipt of this Order to Cease and Desist and to Pay Restitution. In the event such a hearing is requested, the Respondent may appear, with or without the assistance of an attorney, on a date and at a time and place to be specified and cross-examine witnesses, as well as present testimony, evidence, and argument relating to the matters contained herein. Upon request, subpoenas may be issued for the attendance of witnesses and for the production of books and papers on the Respondent’s behalf at the hearing relating to the matters

contained herein. If an administrative hearing is requested, written notice of the date, time, and place will be given to all parties by certified mail, return receipt requested. Said notice will also designate a Hearing Officer. If a request for hearing is not timely filed, this Order becomes final, without any further action, by operation of law.

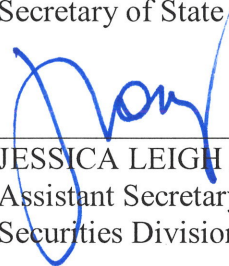
VI. RIGHT TO AMEND

The Secretary of State hereby reserves the right to amend this Order to Cease and Desist and to Pay Restitution.

ISSUED this the 5th day of June, 2020.

Michael Watson
Secretary of State

BY:



JESSICA LEIGH LONG
Assistant Secretary of State
Securities Division

CERTIFICATE OF SERVICE

I, Jessica Leigh Long, do hereby certify that I have this day, mailed a true and correct copy, via certified mail, return receipt requested, of the Order to Cease and Desist to the following:

Mark Morrow
MarkBaxter46@gmail.com

Mark Morrow
790 Haunted Lane
Bensalem, PA 19020

Mark Morrow
c/o Secretary of State of Mississippi
Securities Division
P.O. Box 136
Jackson, MS 39205

91 7199 9991 7039 7017 8631

This the 5th day of June, 2020.



JESSICA LEIGH LONG
Assistant Secretary of State
Securities Division

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